

Message Text

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PAGE 01 STATE 176962

54

ORIGIN EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01

/101 R

DRAFTED BY EB/OT/STA:WCLARK, JR./STR:MPOMERANZ:JH

APPROVED BY STR:CYEUTTER

TREAS:WBARREDA

COMMERCE:FMONTGOMERY

EB/OT/STA:MGOLDMAN

LABOR:RSCHULMAN

STR:SCOFFIELD

----- 044084

P R 162215Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI PRIORITY

INFO USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: SECTION 301 PETITION FILED BY CHARLES REHFELDT,
LAI FU TRADING CO. LTD.

1. BY LETTER DATED JULY 6, 1976, ECONOMIC COUNSELLOR HU
ADVISED STR THAT THE GROU HAD REDUCED TARIFF RATES ON
IMPORTS OF REFRIGERATORS AND COLOR TELEVISION SETS FROM
60 PERCENT TO 45 PERCENT, EFFECTIVE JULY 1. THE LETTER
CONCLUDED WITH: "I REGRET THAT AT THIS TIME WE ARE UNABLE
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PAGE 02 STATE 176962

TO ARRANGE FOR THE OTHER TARIFF RATE REDUCTIONS REQUESTED

....".

2. HU WAS INFORMED THAT JULY 1 ACTION WAS A CLEARLY INADEQUATE RESPONSE TO THE PROBLEM AND THAT BY FAILING TO FOLLOW THROUGH ON A MUTUAL UNDERSTANDING THE GROC WOULD ROLL BACK THE RATE ON COLOR TV TO 33 PERCENT, THE ACTION FELL SHORT OF BEING A REASONABLE DEMONSTRATION OF THE GOOD INTENTIONS OF GROC FOR FUTURE ACTION.

3. THE U.S. OBJECTIVE HAS THREE COMPONENTS: (A) A ROLL-BACK TO THE LOWEST RATE PREVAILING PRIOR TO JULY 9, 1974 ON FREEZER .HESTS(TO 33 PERCENT), COLOR TELEVISION SETS (33 PERCENT) AND TV STANDS (33 PERCENT); (B) A ROLLBACK TO THE JULY 9, 1974 RATE ON ELECTRICAL REFRIGERATORS (45

PERCENT) AND AIR CONDITIONERS (45 PERCENT) AND AN UNDERTAKING NOT TO INCREASE THE RATE ON AUTOMATIC WASHERS (46 PERCENT); AND (C) SOME REDUCTION IN THE CURRENT RATE OF 104 PERCENT APPLYING TO SYNTHETIC FIBRE CARPETS.

4. ROC CUSTOMS LAW ARTICLE 47-1 SEEMS TO HAVE BEEN USED TO MAKE THE TARIFF INCREASES WHICH ARE THE BASIS FOR THE SECTION 301 COMPLAINT. WE THINK THE TARIFF RECISSIONS WE HAVE REQUESTED CAN BE ACCOMPLISHED IN THE SAME WAY. THE RATE REDUCTIONS WE SEEK ALL INVOLVE DUTIES ON GOODS WHICH ROC PRODUCES ON VERY COMPETITIVE INTERNATIONAL TERMS. THOSE REDUCTIONS WILL STILL LEAVE INORDINATELY HIGH DUTIES ON THOSE GOODS. ROC PRODUCERS DO NOT NEED THOSE LEVELS TO REMAIN COMPETITIVE IN THEIR OWN MARKET. THESE ARE NOT DUTIES TO PROTECT INFANT INDUSTRIES. IN THE ABSENCE OF A SATISFACTORY RESOLUTION OF THIS PROBLEM, THE U.S. COULD BE FORCED TO TAKE COMPENSATORY TRADE ACTION.

5. IN ORDER TO INSURE THAT THERE IS NO CONFUSION BETWEEN GROC AND EMBASSY HERE, WE CONSIDER IT DESIRABLE FOR MISSION TO APPROACH GROC OFFICIALS AT AN APPROPRIATE HIGH LEVEL, MAKING THE ABOVE ARGUMENTS AND EMPHASIZING THAT A MEANINGFUL RESPONSE MUST BE FORTHCOMING QUICKLY IF THIS ISSUE IS TO BE RESOLVED SATISFACTORILY. THIS SHOULD BE LIMITED OFFICIAL USE

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PAGE 03 STATE 176962

BROUGHT HOME FORCEFULLY TO GROC. HABIB

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: IMPORTS, CUSTOMS DUTIES, POLICIES, REFRIGERATING EQUIPMENT, TELEVISION EQUIPMENT
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Draft Date: 16 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: saccheem
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Disposition Reason:
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Margaret P. Grafeld
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To: TAIPEI
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